



# *The Commonwealth of Massachusetts*

## *Department of Revenue*

*Leverett Saltonstall Building,*

*100 Cambridge Street, Boston 02204*

L. JOYCE HAMPERS  
COMMISSIONER

October 27, 1982

You inquire whether a corporation may take both the deduction for solar or wind-powered installations set forth in General Laws Chapter 63, Section 38H and the investment credit set forth in Chapter 63, Section 31A with respect to the same property.

General Laws Chapter 63, Section 38H allows a corporation, at its election, to deduct from its gross income expenditures paid or incurred during the taxable year with respect to the installation of any solar or wind-powered climatic control or water heating unit or system, provided the unit or system is located in Massachusetts and used exclusively in the trade or business of the corporation. Paragraph (b)(1) of Section 38H provides that the deduction is allowed only

"on condition that the net income for the taxable year and all succeeding taxable years be computed without any exemption, credit or deduction for such expenditures or for depreciation of the property other than the deductions allowed by this section."

Section 38H was added by Chapter 487 of the Acts of 1976.

Under Chapter 63, Section 31A, manufacturing corporations, research and development corporations, and corporations primarily engaged in agriculture or commercial fishing are allowed a credit against the corporate excise for qualifying property acquired, constructed, reconstructed or erected during the taxable year.

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Paragraph (d) of Section 31A provides:

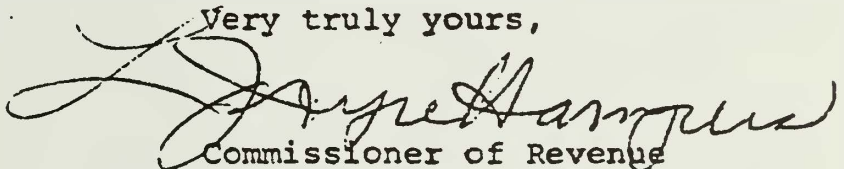
"A corporation may elect to deduct the amount allowable under section thirty-eight D or the credit under this section, but not both."

Section 31A was added by Chapter 634 of the Acts of 1970.

Section 38D of Chapter 63 allowed a corporation, at its election, to deduct from its gross income expenditures paid or incurred prior to January 1, 1980 for the construction, reconstruction, erection or improvement of industrial waste treatment facilities or industrial air pollution control facilities. Section 38D was added by Chapter 701 of the Acts of 1966.

Based on the foregoing, it is ruled that, in computing its corporate excise, a corporation may not take both the deduction for solar or wind-powered installations set forth in Chapter 63, Section 38H and the investment credit set forth in Chapter 63, Section 31A with respect to the same property.

Very truly yours,



Commissioner of Revenue

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